

HEALTH INSURANCE FOR CONTRACT EMPLOYEES

1. ELIGIBILITY REQUIREMENTS: Participation under this program is limited to full-time contract employees (a) who are United States citizens or resident aliens, (b) whose employment relationship is comparable to that of appointed employees, and (c) whose services have been approximately equated to the General Schedule salary levels of appointed employees for compensation purposes.

2. PREMIUMS

a. A part of the premium payments will be provided by the employer. The employee's portion of the monthly premium will be \$1.70 for the Single Plan and \$6.70 for the Family Plan.

b. In addition to the monthly premium, the employee must pay an initial membership fee of \$1.00.

c. All premiums must be paid by payroll deductions as authorized by the employee on his application form.

3. BENEFITS UNDER BASIC PLAN

a. In-patient Care

(a) Room and board, regardless of type of room, not to exceed \$20 per day for not more than 90 days.

(b) Hospital extras, not to exceed \$202.50 PLUS 80% of covered charges in excess of \$202.50 but with limit of \$5,000.

b. Out-patient Care: Benefits limited to maximum allowance of \$202.50.

c. Surgery: Benefits are established by a Relative Value Schedule which fixes rates based on the severity of various operations. Maximum payment under this schedule is \$500.

d. Maternity: Benefits payable ONLY under Family Plan.

(1) Normal Delivery

- (a) Room and board not to exceed \$16 per day for not more than 8 days.
- (b) Not to exceed \$20 for anesthesia.
- (c) Not to exceed \$80 for doctor.

(2) Abnormal Delivery

- (a) Room and board and hospital extras as in paragraph 3a above.
- (b) For Caesarian section, not to exceed \$150 for doctor.
- (c) For miscarriage, not to exceed \$50 for doctor.

3. Exclusions: This plan does NOT provide benefits for the following:

- (1) Expenses incurred while individual was not covered by this plan.
- (2) Hospitalization or treatment provided or paid by the U. S. Government.
- (3) Illnesses or injury covered by workmen's compensation or similar legislation.
- (4) Cosmetic surgery and dental work, except for repair of accidental injury.
- (5) Alcoholism or drug addiction.
- (6) Eyeglasses, hearing aids, and examination for them.
- (7) Routine physical examinations and immunizations.
- (8) Any unreasonable charges or those for "personal comfort" services of a luxury nature.
- (9) Any injuries caused by act of war occurring on or after effective date of coverage.

4. MAJOR MEDICAL BENEFITS: Provides for payment, after the insured has paid out \$100 himself, of 80% of all covered medical expenses which are not reimbursable under the basic plan during

each calendar year. The \$100 deductible can be paid out as expense in connection with hospitalization or with out-patient-treatment in a hospital, doctor's office, or at home. \$100 of deductible expenses must be paid out by the policyholder for any covered member of the family before additional expenses qualify for major medical benefits.

a. Maximum Payment: The maximum payment under this provision is \$10,000 for all accidents or sicknesses or any combination thereof for each insured person. However, after a total of at least \$1,000 has been paid under this provision for expenses incurred by any one person, an amount of \$1,000 will be added to the balance of his maximum payment each year until the balance is again restored to \$10,000.

b. Covered Charges: The covered charges referred to are for hospital expenses, surgical fees, and certain other medical costs which are not reimbursable under the basic plan. The latter covers charges for services, medicines and supplies prescribed by a doctor reasonably necessary for treatment of an injury or illness and which are not of a luxury nature and unreasonably priced.

c. Exclusions, Exceptions and Limitations: This provision does not cover:

- (1) Dental services rendered by a physician or dentist except for those resulting from accident occurring while insured under this plan.
- (2) Eye refractions or the fitting or cost of eyeglasses or hearing aids.
- (3) Cosmetic surgery except for repair of accidental injuries sustained while insured under this provision.
- (4) Alcoholism or drug addiction.
- (5) Pregnancy, including resulting childbirth, miscarriage, or abortion.
- (6) Covered charges will be reduced by the amount of benefits payable or value of services provided (1) under any other plan for which any employer of the protected person or dependent makes payroll deductions or contributions, or (2) under any Federal, state or other governmental program.

d. Record of Expenses for Claim: It will be necessary to maintain complete and accurate records for each insured person for each charge made toward the \$100 deductible and for each charge for which claim for benefits will be made. Benefits for medical expenses are often payable even though not involving hospitalization, so it is important that small expenses be itemized. Keep in mind that the "deductible" is applied once each calendar year. A claim should be filed as soon as the expenses of any individual family member exceed the \$100 deductible. Bills and receipts should be itemized and should show:

- (1) The date services and supplies are received.
- (2) The name of the family member concerned.
- (3) The name of the attending physician.
- (4) The prescription number of drugs and medicines.

Expenses applied against the "Deductible" in the last three months of a calendar year will also be credited against the "Deductible" for the next year.

5. APPLICATIONS

a. Application forms and instructions for their completion should be obtained through the employing unit.

b. The initial enrollment period will expire on 1 December 1960. During this period, there will be no physical requirements to be met nor will there be any waiting period.

c. After the initial enrollment period, only new employees or employees being converted to contract employee status will be eligible to apply and they must apply within 60 days of employment in contract status. Any other contract employee who is otherwise eligible must wait until the next "open period" for enrollments.

6. EFFECTIVE DATE OF ENROLLMENT

a. For those employees payrolled on a biweekly or 28-day basis, enrollments or changes in enrollments become effective on the first day of the first biweekly pay period in which the employee is in pay status which begins not less than 14 calendar days after the application is received by the Insurance Branch.

b. For those employees payrolled on a monthly basis, enrollments or changes in enrollments become effective on the first day of the first monthly pay period in which the employee is in pay status which begins not less than 14 calendar days after the application is received by the Insurance Branch.

7. CLAIMS

All bills will be paid by the insured and receipts therefore forwarded to the Insurance Branch through appropriate administrative channels. Reimbursement will be made in cash to the insured or his representative. (See paragraph 4d above concerning claims under "Major Medical".)